

BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

IN THE MATTER OF THE VERIFIED  
APPLICATION OF MARATHON OIL  
COMPANY FOR AN ORDER ALLOWING UP  
TO FOUR (4) WELLS IN AN ESTABLISHED  
APPROXIMATE 640 ACRE DRILLING AND  
SPACING UNIT FOR THE DRILLING OF  
WELLS TO THE NIOBRARA FORMATION,  
UNDERLYING CERTAIN LANDS LOCATED  
IN TOWNSHIP 8 NORTH, RANGE 64 WEST,  
SECTION 8, 6TH P.M., IN WELD COUNTY,  
COLORADO

CAUSE NO:

ORDER NO:

DOCKET NO:

VERIFIED APPLICATION

COMES NOW the Applicant, Marathon Oil Company, by and through its attorneys, Poulson, Odell & Peterson, LLC, and makes application to the Oil and Gas Conservation Commission of the State of Colorado for an Order allowing up to four (4) wells in an established approximate 640 acre drilling and spacing unit for the drilling of wells to the Niobrara Formation, underlying certain lands located in Weld County, Colorado. In support thereof, Applicant states as follows:

1. That Applicant is a company duly authorized to conduct business in the State of Colorado.

2. Applicant owns leasehold interests in all or part of the following lands in Weld County, Colorado:

Township 8 North, Range 64 West, 6th P.M.

Section 8: ALL

(the "Application Lands"). A reference map of the Application Lands is attached as Exhibit "B."

3. Commission Order No. 535-46 applies to the Application Lands and permitted, among other things, one horizontal well within an approximate 640 acre drilling and spacing unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of the wellbore for the permitted well no closer than 600 feet from the unit boundaries, without exception being granted by the Director.

4. As to the Application Lands, geological studies, and geological and engineering information obtained in the drilling and producing of wells located in the general area, demonstrate that up to four horizontal wells drilled to the Niobrara Formation may produce oil and associated hydrocarbons in economic volumes from the Niobrara Formation.

5. Applicant requests that the Commission enter an order allowing up to four (4) wells to the Niobrara Formation, in the established approximate 640 acre drilling and spacing unit, with the surface location of the permitted well to be located anywhere within the existing unit and the treated interval of the wellbore for the permitted well to be no closer than 600 feet from the unit boundary.

6. Applicant requests that this Commission take notice of the testimony and exhibits supporting another Marathon application, currently docketed as 1205-SP-55, which requests, among other things, up to four (4) wells to the Niobrara Formation, in 640 acre drilling and spacing units, on lands nearby the Application Lands. Said application is scheduled to be heard by the Commission prior to this application.

7. Applicant asserts the allowance of up to four (4) wells, in the existing unit on the Application Lands, is in the best interests of conservation, including accurate production accounting and efficient operation of the wells, is necessary to prevent waste, protect correlative rights and to assure the greatest recovery of gas and associated hydrocarbons from the Niobrara formation all in accordance with the Colorado statutes and the Commission rules.

8. Applicant asserts that up to four (4) wells, in the existing unit on the Application Lands, can be developed in a manner consistent with the protection of public health, safety and welfare.

9. Pursuant to Rule 503(d) of this Commission, within seven (7) days of the filing of this Application, the Applicant shall submit a Certificate of Service to the Commission demonstrating that the Applicant served a copy of the Application on all persons entitled to Notice by mailing a copy thereof, first-class postage prepaid, to the last known mailing address of the interested parties. Applicant shall simultaneously submit said list of interested parties to the Commission via electronic mail.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in August, 2012, that notice be given as required by law, and that upon such hearing this Commission enter its order consistent with Applicant's proposals as set forth above.

DATED: June 21, 2012.

MARATHON OIL COMPANY

By: 

Scott M. Campbell

Jeremy I. Ferrin

POULSON, ODELL & PETERSON, LLC

1775 Sherman Street, Suite 1400

Denver, Colorado 80203

Telephone: (303) 861-4400

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VERIFICATION

STATE OF TEXAS

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ss.

COUNTY OF Harris

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Tricia L. Clarke, of lawful age, being first duly sworn upon oath, deposes and says that she is a Landman for Marathon Oil Company, and that she has read the foregoing Application and that the matters therein contained are true to the best of her knowledge, information and belief.

MARATHON OIL COMPANY

By: Tricia L. Clarke  
Tricia L. Clarke

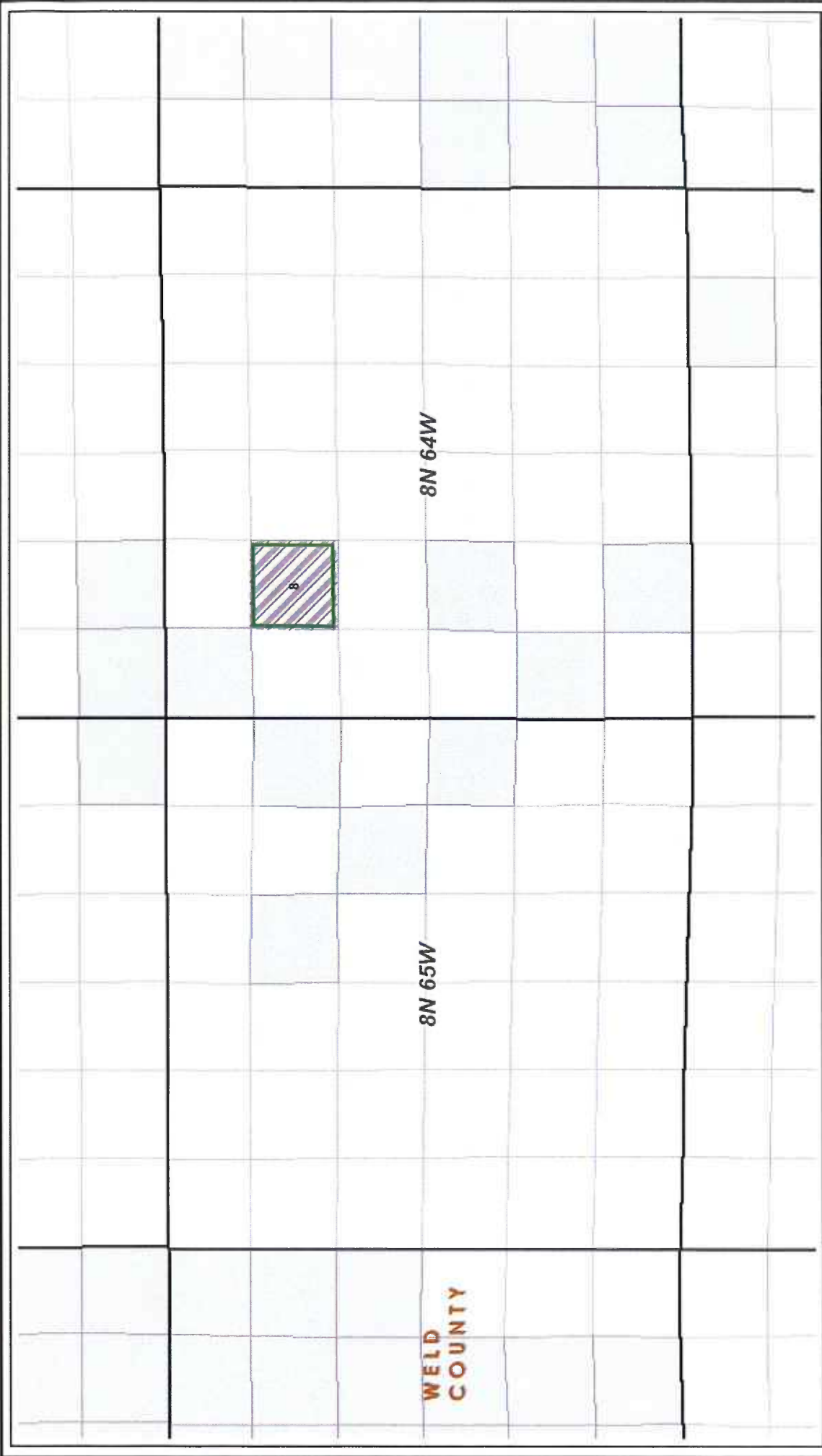
Subscribed and sworn to before me this 19<sup>th</sup> day of June, 2012.

Witness my hand and official seal.

My commission expires: April 6, 2015.

Katie Howell  
Notary Public





**CO&G Commission**  
 Drill Spacing Application  
 Niobrara  
 Weld County, CO

DSU\_Appl\_AUG\_2012\_OC\_ID\_AW4.mxd 6/19/2012

August, 2012 Application for Niobrara:  
 Increase density from 1 to 4 Wells  
 8N 64W, SECT 8

NAD 83, NAD 27, US FT  
 1:100,000

**Legend**

Increase Spacing Density from 1 to 4 Wells

Existing Spacing Orders

